

*new*OCA 86-2591
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Leg. Information
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MEMORANDUM FOR THE RECORD

SUBJECT: Legislative Highlights and Developments July 1986

1. Title: Civil Service Pension Reform Act of 1985

Bill No.: S 1527 (HR 2672)

Sponsor: Sens. Stevens (R., AL), Roth (R., DE)

Committee: Governmental Affairs (House Post Office
& Civil Service)

Status: House passed 8 Jul 85. Senate passed amended version 7 Nov. Conferees appointed 21 Nov. By 21 Mar 86 Chairmen of both Committees approved staff draft bill. Stop gap legislation expired 30 April without definitive action. Congress and OMB reached agreement early in May. A House-Senate conference approved the bill on 15 May. Both houses approved the conference report by 22 May. The President signed the bill 6 June. (PL 99-335).

Impact: The bill covers employees hired since 1 January 1984. The package essentially preserves current employees benefits, except for the 86 COLA. The COLA would probably have been a victim of Gramm-Rudman anyway. Office of Personnel issued Employee Bulletin [] explaining the provisions of the bill. *On 22 July EB [] was issued explaining the lump sum option for retirees.

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2. Title: Tax Reform Act of 1985

Bill No.: HR 3838

Sponsor: Rep. Rostenkowski (D., IL)

Committee: Ways and Means (Senate Finance)

Status: Reported out of Committee 7 Dec 85. Passed House 17 Dec 85. Section 1122(c)(1) of the bill would repeal the current three year recovery rule on federal annuities. Referred to the Senate Finance Committee 18 March 86. Finance Committee wrote its own bill and began mark-up on 19 March. On 16 April, the Committee voted to reject the provision in HR 3838 that repealed the three year recovery rule. In early May, the Committee rewrote much of the bill, dropping that amendment and adding one which phases out the three year recovery rule for employees whose annuity starts after 1 January 1988. Senate passed the bill 97-3 on 24 June. *Conferees began meeting in July, but have not yet reached agreement on the three year recovery rule.

* new information

Outlook: *The recent Senate amendment dims hopes for continuing the current three year recovery rule. The possibility still exists to change it in conference.

Impact: *The effective date for the repeal of the three year recovery rule in the House version of HR 3838 is 1 July 1986 and has already passed and it is unlikely that whatever eventually passes will be made retroactive. Should the current Senate provision prevail, annuitants who retire after 1 January 1988 would be subject to 50% of the basis recovery rule, and those who retire after 1 January 1989 100% of the basis would be recovered ratably over the period of the annuity. Meanwhile, the three year recovery rule remains in effect until new legislation is passed.

3. Title: Restrict the Use of Federal Government Vehicles

Bill No. HR 3614
Sponsor: Rep. Jack Brooks (D., TX)
Committee: Government Operations

Status: Reported out of Committee 19 Dec 85. Passed House by voice vote 4 March 86. Senator Durenberger, Chairman of the SSCI, put a hold on the bill in the Senate on 4 March. *The Armed Services and Governmental Affairs Chairmen have also put a hold on the bill. As of 30 July, the bill is still on hold. Senator Roth has sought Agency views on S 1842, a similar bill by Senator Proxmire. We prepared a reply and sent it to OMB but OMB has not yet cleared it.

Impact: Would limit transportation by government vehicle to the DCI and DDCI, and could have adverse impact on administrative and operational activities.

4. Title: Diplomatic Security and Anti-terrorism Act of 1986

Bill No.: HR 4151 (S2015)
Sponsor: Rep. Dan Mica (D., FL)
Committee: Foreign Affairs (Foreign Relations)

Status: Foreign Affairs passed by voice vote 6 March. House passed by vote of 389-7 on 17 March. Referred to Senate Foreign Relations Committee. Foreign Relations held a hearing on S 2015, a similar bill on 30 April. Senate Foreign Relations passed HR 4151 by voice vote 15 May. Senate passed an amended bill by voice vote 25 June. *House-Senate conferees met during July and all issues involving intelligence equities have been resolved.

Outlook: One problem is the huge cost (\$4 billion) of the bill. *Senate version would authorize \$1.1 billion over two years.

Impact: A possible threat to the Director's authority was eliminated by a provision exempting "intelligence activities" from HR 4151. *Staff has reaffirmed that the report language protects the DCI's authority.

5. Title: Optional Early Retirement for Federal Employees

Bill No.: S 2197 (HR 5087)

Sponsor: Sen. Roth (R., DE) (Rep Bentley R,MD)

Committee: Governmental Affairs (Post Office & Civil Service)

Status: Introduced 4 March 1986. CIA specifically included in Sect 5 of bill. First hearing held 15 May. OPM, Postal Service, government employee groups testified. Purpose of the hearing was to get the views of all interested parties. *On 29 July the Committee failed to approve a Roth-Stevens proposal to attach a revised version (based on negotiations with OPM) to the Budget Reconciliation bill.

Outlook: * Uncertain in the Senate where it will now have to move as a separate bill or ride on another bill. House staff states that they will not take action on their bill until the Senate completes action on its bill..

Impact: *The revised version provides federal workers with a three month rather than a six month "window" to retire early, a reduced annuity for those who retire before age 55, designated authority to preclude 25% of selected employees from retiring early, and a three year rather than a five year hiring freeze. If not exempted, the Agency would suffer under such a freeze. Therefore, OCA is monitoring this bill very closely.

6. Title: Polygraph Protection Act of 1985

Bill No.: HR 1524

Sponsor: Rep. Pat Williams (D., MT)

Committee: Education and Labor

Status: Reported out of Committee 5 December 1985. Passed House 236-173 on 12 March 1986. Referred to Senate 13 March. Senate Labor & Human Relations held a hearing on S 1815, a companion bill on 23 April. Committee approved a bill 11-5 with no amendments on 25 June. Sponsors intend to modify the bill before Senate floor action.

Outlook: Senate chances are unclear with strong opponents (Senator Thurmond) and proponents (Senator Hatch). DOJ threatens a Presidential veto.

Impact: *The current national security exemption is insufficient coverage for Agency contractors. Committee assured the Executive that sufficient exemption will be in place before floor action.

7. Title: Restore 1987 Federal Annuitants COLA

Bill No.: HR 4060

Sponsor: Rep. Oakar (D., OH), Rep. Schroeder
(D., CO)

Committee: Post Office and Civil Service

Status: Passed House 396-19 on 24 June.

Outlook: *Senate Governmental Affairs Staff indicates that the Senate will probably not take action on HR 4060 because the Budget bill already provides for an 87 COLA. While the proposed COLA is not exempt from sequestration under Gramm-Rudman, the staff feels that the budget deficit targets will be met and sequestration will not be imposed.

Impact: Federal annuitants would obviously benefit if the COLA were restored.

8. *Title: Post Employment Restriction Bill

Bill No.: S 2334

Sponsor: Sen. Thurmond (R., SC)

Committee: Judiciary

Status: Judiciary marked up and amended the original bill 26 June.

Impact: The original bill would have permanently barred senior executive branch officials including the DCI and Members of Congress from working with a foreign entity. The amended version reduces the ban for senior executive branch officials to 10 years and Members to 5 years. There are more limited bans for all former federal employees.

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